



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GLORIA J. JEFF
DIRECTOR

September 28, 2004

The Honorable Shirley Johnson, Chair
Senate Appropriations Subcommittee
on Transportation
Michigan State Senate
P.O. Box 30036
Lansing, Michigan 48909-7536

The Honorable Scott Shackleton, Chair
House Appropriations Subcommittee
on Transportation
Michigan House of Representatives
P.O. Box 30014
Lansing, Michigan 48909-7514

Dear Senator Johnson and Representative Shackleton:

Public Act 162 of 2003, Sec. 601 states:

The department shall work with the road construction industry to develop performance and road construction warranties for construction contracts. The development of warranties shall include warranties on materials, workmanship, performance criteria, and design/build projects. The department will report by September 30, 2004, to the house of representatives and senate appropriations subcommittees on transportation, the state budget office, and the house and senate fiscal agencies on the status of efforts to develop performance and road construction warranties.

The Michigan Department of Transportation, Bureau of Highway Operations, Administrative Services Section has reported the status of the warranties, future development plans, implementation strategy, tracking and evaluating the work, and issues or concerns of industry associates in the enclosed document.

Sincerely,

Gloria J. Jeff
Director

BFA:FOD:EAT:kv

Enclosure

cc: Gary S. Olson, Senate Fiscal Agency
Mitchell Bean, House Fiscal Agency

bcc: R. DeCook

V. Blaxton

M. Frierson

E. Timpf

L. Hank

PERFORMANCE AND ROAD CONSTRUCTION WARRANTIES FY 2003/2004

The Michigan Department of Transportation (MDOT) continues to work with the road construction industries to develop performance and road construction warranties for construction projects as required by Public Act 561, Public Acts 2002. Most recently in June of this year MDOT held a Strategic Forum on Quality and Warranties. This was a result of a series of meetings between industry and MDOT in which warranty experiences and concerns were voiced. The Forum focused on three major elements of the quality system; highway design, contracting, and construction, followed by warranty discussions. At this time a final report has not been issued on the findings from the Forum.

MDOT has let an additional 142 warranty projects in the various categories since our last reporting. Additionally, the Statewide Warranty Administration Database is now in place giving both MDOT staff and contractors the ability to monitor the status of warranty projects.

MDOT will continue the development and refinement of its warranty program with input from all interested parties including recommendations from the Strategic Forum on Quality and Warranties.